

Marketing Strategies, Performance and Development It's Impact on Retailers at Eral Taluk in Thoothukudi District

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Abstract:

In the present-day business environment that is characterized by the increased competition among local and international companies. The emergence of more demanding customers and great technological advances has resulted in a complex market in retail business. Retailer now must adapt to the constant change brought on by the pandemic to create a new marketing strategy moving forward. Every facet of a retail organization should be leveraging advanced marketing analytics software to meet customer's demand. Retailer should use information about a customer's likes, needs, and value to provide the most relevant experience to customers. Pricing strategy was realistic and accurate, use of premium pricing on it's product and price promotions and discounts. The use of marketing strategies resulted in increased sales, number of items sold enhance purchase of product and increase market penetration of retailer outlet.

Keywords: Marketing Strategies, Retailers, Technology.

Introduction

The word 'retail' is derived from the French word 'retailleur', which means 'to cut off a piece' or to 'break bulk'. It implies a firsthand transaction with the customer. Retailing involves a direct interface with the customer and the co-ordination of business activities from end-to-end, right from the concept or design stage of a product, or offering to its delivery and post-delivery service to the customer. The origin of retail is traced back to barter system. As the development of human civilization took place, the direct business transaction from producer to consumer gave way to direct marketing. In the modern business world, an activity which remained under the shadow of its big brothers that is manufacturing and wholesaling since a long time is finally being recognized for the role it plays in delighting consumers. A retailer or retail store is any business enterprise whose sales volume comes from retailing. He or She is considered as one of the channel members in distribution. In this case, he or she is serving as a postman delivering the products and services of the manufacturer. The role of him or her is simply executing the requirements of the marketer. His or her feedback about consumers helps the manufacturers to convert the needs and wants of consumers into a real product in hand. Thus, retailing is the most dynamic business.

Objectives

- ❖ To assess the buying and handling of merchandise by the retailers.
- ❖ To analyze the effective retail strategy adopted by the retail outlets.

- ❖ To identify the various problems encountered by the retailers.

Collection Of Data

The present study is based on both primary and secondary data. In regards to primary data. Based on such information, an interview schedule was designed consisting of questions covering merchandise buying and handling; retail strategy adopted for selecting the location, risk-bearing, fixing of prices and distributing the products; promotional strategy adopted and the problems and challenges faced by the unorganized retailers.

Method of analysis

To make the raw data fit for analysis, the researcher has scrutinized the filled-in interview schedule and enters the data in Excel Sheet. The data processing was done with the help of SPSS. Data analysis was done by employing Cross Tabulation, Percentile Analysis, Mean Scores and other such methods. Factor Analysis for analyzing retailer's perceptions, F-test, Multiple Regression Analysis and Index Method were also employed. ANOVA tests for significance in the relationships between various factors have been applied.

Scope of the study

The marketing strategies adopted and the difficulties faced by the retailers in marketing the products have been dealt in this study. The marketing aspect covers the merchandise buying and handling, retail strategy adopted for selecting the location, covering the risk, employing the staff and for fixing the prices. The promotional strategy and the distribution strategy adopted have also been dealt with. This study reveals the problems and challenges faced by the unorganised grocery retailers. It also throws light upon various dimensions of marketing of grocery products by the unorganised retail grocery shops in thoothukudi area.

Retail

Retail is the sale of goods and services by retailing activities to the end-user.

Retailing

Retailing is a kind of business activities relating with buying and selling of goods and services in a small level to the ultimate consumers.

Retailer

Retailer is a channel connecting wholesaler or manufacturer with ultimate consumers. Retailer is a seller selling goods in small units or according to the needs of the consumers.

Unorganised retailing

Unorganised retailing refers to the trading activities undertaken by the retail shops which are unstructured and is a traditional formats of low-cost retailing like street markets, owner manned general stores, convenience stores, kiosks and vendors, where the ownership and management rest with one person only.

Grocery Store

A shop where all necessities of consumers such as rice, dhals, atta, oil, pulses, spices, snacks, soap, powder, cleaning materials, dairy products and the like are sold by the grocer is

known as grocery store.

Consumer

A consumer is a person or group of people who are the final users of products or services generated within a social system.

Customer

A customer (sometimes known as a client, buyer, or purchaser) is the recipient of a good, service, product, or idea, obtained from a seller, vendor, or supplier for a monetary or other valuable consideration on regular basis.

Marketing Strategy

Marketing Strategy is a method or plan adopted by the retailers, in order to market their products, to achieve the maximum profit potential and to sustain their business which includes merchandising, location strategy, risk-bearing strategy, strategy adopted for management of finance and human resources, pricing strategy, promotional strategy and distribution strategy.

TABLE 1-AREA WISE CLASSIFICATION OF RESPONDENTS

Area	Respondents	Percentage (%)
Rural	27	54
Semi-Urban	15	30
Urban	8	16
Total	50	100%

Source: Primary data

Table 1 reveals the residents status wise classification of the respondents. Majority 54% of the respondents are residing in rural area while 30% of the respondents are residing in semi-urban and 16% are residing in urban area. Hence, the majority of the respondents who are residing in the rural area.

Table 2-PRICING STRATEGY WISE CLASSIFICATION OF RESPONDENTS

Pricing Strategy	Respondents	Percentage %
Cost-oriented	23	56
Demand-oriented	9	18
Competition-Oriented	18	36
Total	50	100

Source: Primary data

It is found from Table 2 that, 56 % of the respondents follow cost-oriented pricing strategy in their business. while 18% of the respondents follow Demand-oriented pricing strategy and 36% of the respondents follow Competition-oriented pricing strategy. It is clear from the study that the retailers adopt cost-oriented pricing strategy for price fixation.

Findings

The cost-oriented pricing strategy is adopted by the owners of the unorganised retail outlets. They follow the principle of charging fixed price in tune with equal of product and service. The owners of the unorganised retail outlets experience with little bit of competition from their rivals in their location of business in general. However they do not adopt any promotional strategies in this regard. The household or individual customers are the ultimate end of the channel of distribution for which direct door delivery of goods at free of charge is followed. A small number of regular customers prefer once in a week preferably evening hours of week days for any purchase of their needs. The unorganised retailers face all kinds of problems such as personal, marketing, purchase, location, labour, financial and customers in general. In specific, the irregular supply and pilferage of goods are the main problems in their business. In order to tackle these, the ability, assistance, support, discipline and regulation are very essential to all owners of the unorganised retail outlets to run their business successfully.

Suggestion

1. A separate legislation should be passed to form a large sized sole-trading business in unorganised retail outlets with financial assistance from financial institutions in order to compete with large sized organised retail outlets.
2. A forum of 'educational circle for purchase' consisting of members of chamber of commerce, members of financial institutions, members of insurance companies, representative from consumers' forum and representative from unorganised retail owners' association should be created in order to educate the traders on purchase and sale procedures, inventory maintenance, risk bearing training to them and their employees, promotional activities and the like.
3. A separate enactment for regulating the working hours of unorganised retail outlets under 'Tamil Nadu Shops and Establishment Act, 1947' should be done for the welfare of the employers and employees of these retail outlets.

Conclusion

The present study is meaningfully appropriate and relevant as it is concerned with an interesting valuable sector of the economies of the developing district. This study highlighted the existing strategies and problems of the retail units in Madurai District. It is also noted that these retail sectors are inviting large number of small entrepreneur into this business since it is one of the biggest sources of employment in the country. These retail units have wide scope to develop further. Protecting this retail unit is not only needed for promoting the enterprises but also it is need for the society to supply products to the low, middle and higher income group consumers. The findings of the study and a few constructive suggestions made there in will be of immense use to the retailers, workers and the customers to flourish in this trade. However, the united efforts on the part of the retailers with the due support from the Government, banks and other financial institutions would lead the unorganised retail sector towards a prosperous future.

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